

# PROPOSED CHANGES TO OPEB PREFUNDING REGULATIONS

California Code of Regulations, title 2, § 599.550

Title 2. Administration

Division 1. Administrative Personnel

Chapter 2. Board of Administration of Public Employees' Retirement System

Subchapter 3. Public Employees' Medical and Hospital Care Act Regulations

Article 2. Prefunding Plan for Health Care Coverage for Annuitants

2 CCR § 599.550

§ 599.550. For purposes of this article:

(a) "Health care coverage for annuitants" means postemployment healthcare benefits and other postemployment benefits provided to terminated or retired employees and their dependents and beneficiaries. For purposes of this definition, "postemployment healthcare benefits" means medical, dental, vision, and other health-related benefits, and "other postemployment benefits" means postemployment benefits other than pension benefits, including life insurance, disability, and long-term care benefits."

(b) "Participating employer" means an employer, as defined at Government Code section 22942, that has elected to participate in the prefunding plan and that ~~files a resolution~~ contracts with CalPERS ~~as provided in §22922~~, which ~~resolution contract~~ sets forth the terms and conditions of the participating employer's participation in the prefunding plan.

(c) "Prefunding plan" means the Annuitants' Health Care Coverage Fund that is a trust fund intended to meet the requirements of Section 115 of the Internal Revenue Code and that is established pursuant to Government Code section 22940 to provide healthcare coverage for annuitants. The prefunding plan is sometimes referred to as the California Employers' Retiree Benefit Trust or CERBT.

Note: Authority cited: Sections 22796 and 22922, Government Code.  
Reference: Sections 22940 and 22942, Government Code.

~~§ 599.552.~~

~~(a) The board may, in its discretion and upon terms and conditions set by the board, authorize an employer to participate in the prefunding plan.~~

~~(b) The governing body of a participating employer shall enter into a contract with the board, setting forth the terms and conditions of the employer's participation in the prefunding plan. The contract may be in the form of a resolution adopted pursuant to Section 22922.~~

~~(c) Upon approval by the board, an employer eligible to participate in a Section 115 Trust, as described in §599.550(c) subject to the Public Employees' Medical and Hospital Care Act may file a new resolution with the board or amend an existing resolution on file with the board, to allow the employer to become a participating employer.~~

~~—Note: Authority cited: Sections 22796 and 22922, Government Code.~~

~~- Reference: Sections 22922, 22940 and 22942, Government Code.~~